

Technology Commercialization & Innovation Program (TCIP)
2011-12 (R1) Grant Solicitation

TERMS and CONDITIONS

APPLICATION DEADLINE: 12:00 Noon - Monday September 12, 2011. Please note that late applications will not be accepted.

IN-PERSON PRESENTATIONS TENTATIVELY SCHEDULED FOR: September 29th

EMAIL APPLICATION TO: scox@utah.gov

BACKGROUND

The Technology Commercialization and Innovation Program (formerly the Centers of Excellence Program) is a State funded grant and mentoring program developed by the Utah Legislature in 1986 to help accelerate the process of taking cutting-edge technologies developed at Utah's colleges and universities, to market, thereby driving economic development and job creation for Utah citizens.

Historically, the TCIP statute only permitted grants to universities, however, in 2007, the Legislature passed and the Governor signed into law, changes to the statute that now permit grants to companies (startup and existing) that license technology developed at a Utah college or university.

The TCI Program follows a "Smaller, Lighter, Faster" model patterned after the successful USTAR Technology Commercialization Grant program that has now ended. The principles guiding this update are:

- Smaller funding amount to a broader community
- Lighter overhead; and
- Faster turnaround, with multiple grant opportunities each year

One of Governor Herbert's four economic development objectives, is to "Increase Innovation, Entrepreneurship & Investment" and the TCI Program is helping to realize that goal.

It is important to note, that under the current TCI Program statute, funds can only be granted to:

- i) A Utah college or university, or
- ii) A licensee of a technology developed at a Utah college or university.

General Guidelines

Please read the following guidelines carefully as they have been updated since the last solicitation.

OBJECTIVE

The objective of the TCI Program is to accelerate the process of taking cutting-edge technologies developed at Utah's colleges and universities, to market, thereby driving economic development and job creation for Utah citizens. The program does not fund research projects, but rather, TCIP funds go toward helping early stage technology commercialization efforts. Traditionally, there are more funds available for research (such as federal funds) than there are for early stage commercialization, prior to being able to attract investor funding, which is where many companies stagnate or die. The TCIP grant is intended to help bridge this gap.

DEFINITIONS

Institution: A Utah college or university that is developing a technology.

Licensee: A Utah company that has licensed a technology from a Utah college or university.

University Team: A faculty-led technology project at an Institution.

Proposal: The commercialization and work plan outlined in an application.

Grant Awardee: An applicant whose proposal has been approved for TCIP funding.

Qualified Pre-screening Entity: The TCO/TTO office at U of U, BYU or USTAR

SUMMARY OF REQUIREMENTS & ELIGIBILITY

Funding maximums: Up to \$40,000 per solicitation cycle. An applicant may receive a TCIP grant award for two (2) solicitation cycles (\$40,000 x 2 cycles = \$80,000).

Eligibility: There are two types of eligible applicants:

- **Licensees:** A license does not have to be in place during the application process, however, it must be in place before Licensee can receive TCIP funds if Licensee is awarded a grant. Licensee must show proof of the completed license before the funds are released. The license must be a new license, or new application of an established license and should be technology that is just emerging or has yet to emerge into the marketplace

Licensees have the option of disbursing all or a portion of the TCIP grant funds to the university with which they are associated. If this option is exercised, the TCIP will consider the university to be a **co-applicant** with the Licensee, a separate agreement between the State and the university will also be entered into, and the university will be responsible to provide the level of matching funds applicable to their institution (see Matching Funds section for details).

- **University Teams:** The proposed technology from a faculty-led university team, must have passed the research phase and is ready to be commercialized. Please see the [FAQ](#) for further discussion and examples.

Limitations: The following limitations should be taken into consideration when applying for a TCIP grant.:

- a) An applicant has not received more than \$80,000 in funding for the proposed use of a technology from the TCI program including the former COE program.
- b) A company has received no more than \$1 million in product related revenue (i.e. from customers) from the proposed technology.
- c) If an applicant applied for and was awarded a first TCIP grant, they may apply for a second grant (not necessarily consecutively); however, if they are awarded the second grant, the funds from the second grant will not be released until applicant has invoiced for 100% of the funds from the first TCIP grant.
- d) An applicant may apply for a TCIP grant up to 3 times for the same proposed use of a technology; but if applicant is not awarded a TCIP grant after their third application, they may not reapply for a TCIP grant for the same proposed use of a technology.
- e) Only one application will be accepted to the TCIP grant program from each proposing team in any one solicitation cycle, regardless of whether the applications are for different technologies. If more than one is submitted the selection will be made on a “first come first served” basis.
- f) Grant recipients will be required to provide matching funds (please see Grant Awardees section for details).

Criteria used to determine grant awardees: The following criteria is used as the basis for recommending an applicant’s proposal for funding:

1. Number of Jobs in Utah
2. Quality of Jobs in Utah (i.e. average salary, benefits etc)
3. Diversity of job types (i.e. R&D, manufacturing, sales, finance...the wider the diversity of jobs, the better)
4. Quality of management and leadership, including experience in startups or commercialization

Pre-screening requirement: All applicants must undergo pre-screening and be recommended by a TCIP qualified pre-screening entity before submitting an application to the TCI Program. A list of these entities and contact information is on the last page of this document. Applicant must send their application to the TCIP offices directly, however, the application will not be considered “accepted” until the pre-screening entity informs the TCI Program in writing, that the

applicant is being recommended. Please be aware that the pre-screening entities rank the list of applicants that they recommend to the TCIP and the TCIP staff will select the highest ranking applications up to the maximum number of applications that can be handled in each solicitation cycle. If an applicant was recommended but did not rank high enough to be accepted into the pool of applicants for a particular solicitation round, the applicant may reapply multiple times, subject to the rules of the pre-screening entity.

Choosing a pre-screening entity: Although not mandatory, an applicant should be pre-screened by the institution with which they are affiliated if the institution is a TCIP qualified pre-screening entity. Applicants associated with an institution that is not a qualified pre-screening entity, may be prescreened by USTAR or another entity.

In-person presentation: Applicants will be required to give a 10 minute in-person presentation of their proposal to the TCIP Review Council. This presentation typically takes place within 3 weeks after the close of the solicitation. Applicants will be notified via email of the date, time and venue of the presentation. There are no alternative dates, but the applicants may send anyone they choose to represent the proposal, except those associated with a pre-screening entity. Within 2 weeks following the reviews, applicants will be notified as to whether or not they were awarded a TCIP grant.

Use of Funds: Use of funds must be detailed in the application. The TCI program allows for a broad use of the grant funds including but not limited to prototyping, testing, marketing, travel expenses to trade shows, etc. TCIP grant funds must be used to develop/commercialize the proposed technology.

Milestones: Applicants are required to outline 3 to 5 milestones in their application. The TCI program considers the acquisition of matching funds to be a first milestone.

Submitting the TCIP grant application: Applications must be submitted via email only to scox@utah.gov, on the form and templates provided on the TCIP website. The subject line of the email must include the company name if applicant is a Licensee or the technology name (as stated on the application form) if applicant is a University team.

The complete application packet includes:

- a) [TCIP Grant Application Form \(Submit in both Excel & PDF formats\)](#)
- b) [Presentation Summary Slides \(Submit in PowerPoint format only\)](#)
- c) Letters of recommendation (optional)

Applicants should not submit any documents along with their application other than those required as stated above. The application form and summary slides should not be adjusted in any way; formatting, font, color, etc. must remain the same.

Please see [Instructions for Completing and Submitting Application](#) for more details. The deadline to submit the TCIP grant application can be found at the top of this solicitation.

GRANT AWARDEES – WHAT TO EXPECT

Agreement: If an applicant is awarded a grant, the applicant will be required to sign an agreement with the State. Links to a sample Licensee and University Agreement can be found at the end of this document. After the grant awardee signs and returns the agreement to the State, it is then processed and the grant awardee may thereafter submit an invoice to the State for the funds.

Disbursement of funds: The TCIP grant funds will be disbursed as follows:

- First payment: Up to 50% of grant funds (first milestone) based on receipt of matching funds.
- Second Payment: 50% of grant funds upon receipt of full matching funds and the completion of an additional milestone as outlined in grant recipient's proposal.

Matching funds requirement: A grant recipient is expected to show proof of matching funds. Matching funds do not have to be in place at the time of the application, but must be in place before TCIP funds are disbursed. The levels of match required for each type of applicant is as follows:

- **Licensees** are required to show \$1 for every \$1 of TCIP funds, or a 1:1 match.
- **University Teams from a PhD granting university** (U of U, BYU, USU) are required to show \$2 for every \$1 of TCIP funds or a 2:1 match.
- **University Teams from a non-PhD granting university** (UVU, SLCC, WSU etc.) are required to show \$1 for every \$1 of TCIP funds or a 1:1 match.

Matching funds can be derived from any of the following sources and must be related to the proposed technology:

- a) federal grants
- b) Sales revenues, contracts
- c) Founder cash investment
- d) Equity investment from any duly formed institutional investment firm
- e) Corporate investor
- f) Accredited individual/angel investor

The following cannot be used as matching funds:

- a) In-kind contributions or time / sweat equity
- b) Other Utah State grants
- c) University controlled funds such as State research grants, gifts, salaries, investment funds
- d) Loans

The matching funds period is the time period within which matching funds must be obtained. Eligible matching funds will be obtained during the "Disbursement Period" of the grant awardee agreement and up to 12 months prior to the start date of that period.

Sub-Contracts: Grant Recipients are prohibited from subcontracting the funds to any other entity, except for the purchase of commercially available goods or services needed for the commercialization of the technology.

Return of grant provision: Grant awardees should be aware that their agreement with the State will include a return of grant provision in the event that a grant recipient or grant awardee breaches the terms and conditions of the agreement. Links to a sample agreement for each type of applicant can be found at the end of this document.

Time in State: Grant recipients will be expected to retain their company, and supported technology, and exploit the technology in the State of Utah for a minimum period of 5 years from the date of their agreement with the State. Failure to do so will activate the return of grant provision.

Authorization to disclose tax information: Licensee grant recipients, will be required to sign an authorization to disclose tax records for up to 5 years from the date of their agreement with the State.

LINKS TO SAMPLE AGREEMENTS

[LICENSEE-agreement-template.pdf](#)

[UNIVERSITY-PhD-agreement-template.pdf](#)

LIST OF TCIP QUALIFIED PRE-SCREENING ENTITIES

Applicants must meet with one of the qualified pre-screening entities listed below, prior to their application being accepted by the TCI program. Applicants must contact the entity directly and request an interview and review of their proposal.. Each of these entities have their own process for evaluating and making recommendations to the TCI program. Please allow sufficient time for this process to be completed before the TCIP deadline.

Please note that applicants which are in partnership with any of Utah's regional colleges and universities (non-PhD granting), must be pre-screened by the USTAR TOIP program. Applicants affiliated with PhD granting institutions should work with their TCO office.

Brigham Young University - Technology Transfer Office
3760 HBL, Brigham Young University, Provo, UT 84602-6844
(801) 422-6266 Fax:(801) 422-0463
<http://techtransfer.byu.edu/>
techtransfer@byu.edu

University of Utah - Technology Commercialization Office
615 Arapeen #310, SLC, UT 84108
801.581.7792
<http://www.tco.utah.edu/>
info@tco.utah.edu.

Utah State University - Technology Commercialization Office
570 Research Park Way, Suite 101, North Logan, UT 84341-9730
(435)797-9607 (office) (435)797-9612 (fax)
<http://tco.usu.edu/>
tco@usu.edu

USTAR TOIP
Direct: (801) 538-8622
ustarinfo@utah.gov
<http://www.innovationutah.com/contact.html>